



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
Tel.: 510.464.7700
TTY/TDD: 510.464.7769
Fax: 510.464.7848
e-mail: info@mtc.ca.gov
Web site: www.mtc.ca.gov

2003 Transportation Improvement Program Financial Constraint Analysis Update

Steve Kinsey, Chair
Marin County and Cities

Jon Rubin, Vice Chair
San Francisco Mayor's Appointee

Tom Ammiano
City and County of San Francisco

Irina Anderson
Cities of Contra Costa County

Tom Azumbrado
U.S. Department of Housing
and Urban Development

James T. Beall Jr.
Santa Clara County

Mark DeSaulnier
Contra Costa County

Bill Dodd
Napa County and Cities

Dorene M. Giacopini
U.S. Department of Transportation

Scott Haggerty
Alameda County

Barbara Kaufman
San Francisco Bay Conservation
and Development Commission

Sue Lempert
Cities of San Mateo County

John McLemore
Cities of Santa Clara County

Michael D. Nevin
San Mateo County

Bijan Sartipi
State Business, Transportation
and Housing Agency

James P. Sperring
Solano County and Cities

Pamela Torliatt
Association of Bay Area Governments

Sharon Wright
Sonoma County and Cities

Sbelia Young
Cities of Alameda County

Steve Heminger
Executive Director

Ann Flemer
Deputy Director/Operations

Therese W. McMillan
Deputy Director/Policy

The federally required Transportation Improvement Program (TIP) is a comprehensive listing of all Bay Area transportation projects that receive federal funds or that are subject to a federally required action. The Metropolitan Transportation Commission (MTC) prepares and adopts the TIP every two years. As part of the TIP adoption, Federal regulations require that the TIP be financially constrained by year, meaning that the amount of dollars programmed must not exceed the amount of dollars estimated to be available. When the Federal Highway Administration and the Federal Transit Administration (FHWA/FTA) approved the 2003 TIP in February 2003, MTC had demonstrated that the TIP was financially constrained.

Because the current Fiscal Year 2003-04 state budget includes provisions that negatively affect the State Transportation Improvement Program (STIP) and the Transportation Congestion Relief Program (TCRP) which are part of the TIP, FHWA/FTA sent a request to Caltrans and all Metropolitan Planning Organizations (MPOs) statewide asking that the financial constraint analysis of all statewide TIPs (FSTIP) be updated.

In order to update the TIP financial constraint, MTC needs to reprogram state funds to later years where the funding can now be reasonably be estimated to be available or reprogram projects using local, regional, or other federal fund sources.

MTC has conducted an exercise with the assistance of its partnering agencies to identify uncommitted federal, regional, and local funds that could be used temporarily to replace delayed state funds. MTC has also identified projects that can be reprogrammed to later years because of unavailability of state funds, projects whose delay will not have an adverse affect on air quality. The attached spreadsheet shows the result of that exercise. The first column for each of the three years depicts the original estimated available resources, the second column shows what is currently programmed against the original resources and the third and fourth column for each year depicts the result of the financial constraint exercise showing the revised programming against the revised estimated available resources. It shows reductions to STIP and TCRP funds in Fiscal Years 2003-04 and 2004-05, the last two years of the TIP, and corresponding increases to federal, regional, and local funds to backfill any loss. The listing of projects that back up the exercise is provided as part of TIP Amendment No. 14 and can be viewed at the MTC/ABAG library or at <http://www.mtc.ca.gov/publications/tip/proposed.htm>.

Comments on the Revised TIP Financial Constraint Analysis can be submitted to MTC offices through Friday, January 9, 2003 at 5 p.m. Sent Comments by e-mail to: info@mtc.ca.gov or by mail to MTC, Attention: Public Information, 101 Eighth Street, Oakland, CA 94507. For further information about the TIP please contact Ross McKeown at (510) 464-7842.

Copies of the Revised TIP Financial Constraint Analysis are also available at the MTC/ABAG Library.

2003 TRANSPORTATION IMPROVEMENT PROGRAM

Financial Constraint Analysis, Revised

FY 2002-03 to FY 2004-05

(in thousands of dollars)

	Original Estimated Funds Available FY 2002-03		Revised Estimated Funds Available FY 2002-03		Original Estimated Funds Available FY 2003-04		Revised Estimated Funds Available FY 2003-04		Original Estimated Funds Available FY 2004-05		Revised Estimated Funds Available FY 2004-05	
	Current TIP Programming FY 2002-03		Revised TIP Programming FY 2002-03		Current TIP Programming FY 2003-04		Revised TIP Programming FY 2003-04		Current TIP Programming FY 2004-05		Revised TIP Programming FY 2004-05	
Federal												
Surface Transportation Program (STP) ¹	\$ 68,306	\$ 52,366	\$ 68,306	\$ 52,366	\$ 70,000	\$ 12,145	\$ 70,000	\$ 31,145	\$ 71,000	\$ 15,967	\$ 71,000	\$ 61,267
Congestion Mitigation and Air Quality Improvement Program (CMAQ) ¹	63,426	62,971	63,426	62,971	63,000	28,669	63,000	42,669	63,000	36,271	63,000	47,518
Transportation Enhancement Activity (10% of State STP to region) ¹	8,915	8,898	8,915	8,898	-	-	-	-	-	-	-	-
FTA Section 5307 ¹	192,441	192,332	192,441	192,332	181,303	130,723	181,303	130,723	184,929	-	184,929	-
FTA Section 5309	212,399	199,021	212,399	199,021	199,877	142,151	199,877	142,151	121,716	103,584	121,716	103,584
FTA Section 5310	1,100	1,017	1,100	1,017	-	-	-	-	-	-	-	-
FTA Section 5311	895	895	895	895	895	-	895	-	895	-	895	-
High Priority Project (Fed. Demonstration Projects)	41,931	41,931	41,931	41,931	14,006	14,006	14,006	14,006	1,050	1,050	1,050	1,050
Other Federal	114,399	114,399	114,399	114,399	55,195	55,195	55,195	55,195	79,424	79,424	79,424	79,424
Total Federal	703,812	673,829	703,812	673,829	584,276	382,889	584,276	415,889	522,014	236,296	522,014	292,843
State												
State Transportation Improvement Program (STIP) ⁴	281,926	281,926	281,926	281,926	241,307	241,307	32,437	32,437	253,604	253,604	77,799	61,037
State Highway Operations Protection Program (SHOPP)	338,485	338,485	338,485	338,485	294,000	294,000	294,000	294,000	474,000	474,000	474,000	474,000
Traffic Congestion Relief (TCRP)	100,201	100,201	55,751	55,751	80,277	80,277	-	-	27,900	27,900	-	-
Other State	464,676	464,676	464,676	464,676	754,517	754,517	754,517	754,517	1,267,999	1,267,999	1,267,999	1,267,999
Total State	1,185,288	1,185,288	1,140,838	1,140,838	1,370,101	1,370,101	1,080,954	1,080,954	2,023,503	2,023,503	1,819,798	1,803,036
Regional/Local												
Regional Measure 1/Bridge Toll Funding	95,205	95,205	95,205	95,205	132,323	132,323	132,323	132,323	23,666	23,666	23,666	23,666
Other regional/local	768,893	768,893	768,893	768,893	552,668	552,668	552,668	552,668	362,465	362,465	362,465	362,465
TCRP - Local (Local Measure Fund) ³	-	-	-	-	-	-	-	-	-	-	111,220	111,220
TCRP - LONP ²	-	-	-	-	-	-	1,180	1,180	-	-	-	-
STIP - Local (Local Measure Fund) ³	-	-	-	-	-	-	126,020	126,020	-	-	76,771	76,771
Total Regional/local	864,098	864,098	864,098	864,098	684,991	684,991	812,191	812,191	386,131	386,131	574,122	574,122
Total	\$2,753,198	\$ 2,723,215	\$ 2,708,748	\$ 2,678,765	\$ 2,639,368	\$ 2,437,981	\$ 2,477,421	\$ 2,309,034	\$ 2,931,648	\$ 2,645,930	\$ 2,915,934	\$ 2,670,001

1) The calculation of STP, CMAQ TEA, and Section 5307/5309 funding is an MTC estimate based on the guaranteed funding levels and three years of actual data.

2) Letter of No Prejudice (LONP) arrangement with the California Transportation Commission (CTC) which allows the immediate use of local funds to be reimbursed with of future TCRP funds.

3) Funds were previously programmed as STIP or TCRP and are being substituted with local funds.

4) FY 2003-04 and FY 2004-05 are previously allocated STIP Funds and funds estimated to be available per 2004 STIP fund estimate.

	Total Original Funds Available FY 2003-05	Total Current TIP Programming Fy 2003-05	Total Revised Funds Available FY 2003-05	Total Revised TIP Programming Fy 2003-05	Percent Change in Total Available Funds	Percent Change in Total Programmed Funds
Federal						
Surface Transportation Program (STP) ¹	\$ 209,306	\$ 80,478	\$ 209,306	\$ 144,778	0.00%	79.90%
Congestion Mitigation and Air Quality Improvement Program (CMAQ) ¹	189,426	127,911	189,426	153,158	0.00%	19.74%
Transportation Enhancement Activity (10% of State STP to region) ¹	8,915	8,898	8,915	8,898	0.00%	0.00%
FTA Section 5307 ¹	558,673	323,055	558,673	323,055	0.00%	0.00%
FTA Section 5309	533,992	444,756	533,992	444,756	0.00%	0.00%
FTA Section 5310	1,100	1,017	1,100	1,017	0.00%	0.00%
FTA Section 5311	2,685	895	2,685	895	0.00%	0.00%
High Priority Project (Fed. Demonstration Projects)	56,987	56,987	56,987	56,987	0.00%	0.00%
Other Federal	249,018	249,018	249,018	249,018	0.00%	0.00%
Total Federal	1,810,102	1,293,014	1,810,102	1,382,561		
State						
State Transportation Improvement Program (STIP) ⁴	776,837	776,837	392,162	375,400	-49.52%	-51.68%
State Highway Operations Protection Program (SHOPP)	1,106,485	1,106,485	1,106,485	1,106,485	0.00%	0.00%
Traffic Congestion Relief (TCRP)	208,378	208,378	55,751	55,751	-73.25%	-73.25%
Other State	2,487,192	2,487,192	2,487,192	2,487,192	0.00%	0.00%
Total State	4,578,892	4,578,892	4,041,590	4,024,828		
Regional/Local						
Regional Measure 1/Bridge Toll Funding	251,194	251,194	251,194	251,194	0.00%	0.00%
Other regional/local	1,684,026	1,684,026	1,684,026	1,684,026	0.00%	0.00%
TCRP - Local (Local Measure Fund) ³	-	-	111,220	111,220		
TCRP - LONP ²	-	-	1,180	1,180		
STIP - Local (Local Measure Fund) ³	-	-	202,791	202,791		
Total Regional/local	1,935,220	1,935,220	2,250,411	2,250,411		
Total	\$ 8,324,214	\$ 7,807,126	\$ 8,102,103	\$ 7,657,800		



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
Tel: 510.464.7700
TDD/TTY: 510.464.7769
Fax: 510.464.7848

Memorandum

TO: Programming and Allocations Committee

DATE: January 14, 2004

FR: Executive Director

RE: 2003 Transportation Improvement Program (TIP), Financial Constraint Analysis Update,
MTC Resolution No. 3500, Revised.

Background

As part of the TIP adoption, Federal regulations require that the TIP be financially constrained, meaning that the amount of dollars programmed must not exceed the amount of dollars estimated to be available. When the Commission adopted the 2003 Revised TIP on January 22, 2003, the TIP was financially constrained based on adopted estimates of available funds, and approved legislation. However, the current State budget contains provisions that negatively impact projects currently programmed in the TIP. The actual impact on programmed dollars is reflected in the 2004 State Transportation Improvement Program (STIP) Fund Estimate, which was adopted by the California Transportation Commission (CTC) in December 2003.

Revenue estimates contained in the 2004 STIP Fund Estimate reflect that there will be no STIP allocations during FY 2003-04 and that the region can only expect to receive approximately \$39 million in programming capacity during FY 2004-05. This includes \$16 million of Regional Transportation Improvement Program (RTIP) funds, \$6 million in the Interregional Transportation Improvement Program (ITIP), and the balance of \$17 million in Transportation Enhancement (TE) funds. These amounts are miniscule compared to what was previously approved by the CTC for programming. In the 2002 STIP, the CTC had authorized a total of \$496 million of STIP funds programmed between FY 2003-04 and FY 2004-05 in the region; \$48.5 million of this has been allocated to date, or approved as an advance.

	STIP APPROVED PROGRAMING IN THE TIP	AMOUNT AVAILABLE FOR ALLOCATIONS (PER 2004 STIP FUND ESTIMATE)	AMOUNT PREVIOUSLY ALLOCATED, GARVEED OR AB3090	TOTAL AVAILABLE FOR ALLOCATION, & PREVIOUSLY ALLOCATED
FY 2003-04	\$241,307,000	\$ --	\$32,437,000	\$32,437,000
FY 2004-05	\$254,784,000	\$38,852,000	\$16,100,000	\$54,952,000
Total	\$496,091,000	\$38,852,000	\$48,537,000	\$87,389,000

Of the \$208 million programmed through the Transit Congestion Relief Program (TCRP) between fiscal years 2002-03 and 2004-05, only \$56 million has been allocated. The state of this program is in flux, with no allocations expected through the end of Fiscal Year 2003-04.

FHWA/FTA have requested that all MPOs provide to them information that the 2003 TIP continues to be financially constrained or that the financial constraint analysis of the TIP be revised and updated. Both losses in STIP funding, as evidenced by the 2004 STIP Fund Estimate, and potential losses in TCRP funding are addressed in the newly revised financial constraint analysis.

Need for Revised Financial Constraint Analysis

To meet the conditions of the federal request and allow future TIP amendments to be approved, MTC has revised and updated the 2003 TIP financial constraint analysis. The urgency of this action is the related approval of the fiscal year 2003-04 FTA Program of Projects (POP) amendment, which contains FTA Sections 5307 and 5309 funds, the mainstay for transit capital in the region. The FTA POP is of critical importance to the transit operators in the region as the Commission has adopted policy for fiscal year 2003-04 that allows operators to use this transit capital funding for preventive maintenance purposes, in essence operating purposes. This funding has become a critical piece of many operators' budgets for this year, avoiding service cuts or fare increases beyond what has already been enacted by the operators. To avoid significant financial impacts on several transit operators, the TIP Financial Constraint amendment must be processed by end of January.

The TIP financial constraint will be further revised with the Commission adoption of the 2005 TIP. This will be brought to the Commission in May as a draft for release to the public for comment. This 2005 TIP will further update the financial situation in the region, reflecting any revisions to the State Budget or other enacted legislation, any revenue measures successfully passed by voters in March, any revisions to the STIP Fund Estimate, and any local revenue adjustments.

Financial Constraint Analysis Update Methodology

MTC staff working in concert with Caltrans, MPOs statewide, the Bay Area Partnership, and other project sponsors, have developed the following methodology to update the TIP financial constraint analysis.

Since there will be no further allocations of STIP or TCRP in FY 2003-04, staff moved projects expecting allocations this year to later years. This was done keeping air quality commitments in mind. All non-exempt projects were moved into fiscal year 2004-05 and all exempt projects to later years. The types of "exempt" projects included in this action are primarily soundwall projects, STIP Planning Programming and Monitoring funds (PPM), and planting mitigation projects. The "non-exempt" projects are projects not exempt from an air quality conformity analysis and finding. To maintain our air quality conformity finding on this TIP, the non-exempt projects have all remained in this TIP.

The value of exempt projects in both the TCRP and STIP programs moved to FY 2005-06:

STIP	\$126 million
TCRP	\$49 million

Remaining programming in FY 2004-05 after exempt projects are moved outside the current TIP period:

STIP	\$299 million
TCRP	\$102 million

With the assistance of our partnering agencies, staff has conducted an exercise to identify uncommitted federal, regional, and local funds that can serve as substitute fund sources if need be for the \$299 million in STIP funding threatened, and the \$102 million in TCRP. The backfill funding comes from two sources: regionally unprogrammed apportionments of Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) Improvement Program funds, and local county sales tax measure funds.

While MTC has programmed nearly all of its STP and CMAQ obligation capacity for FY 2003-04 and FY 2004-05 as part of its First Cycle programming exercise with the Commission in May-June 2003, there remains some additional programming capacity, due to programming being allowed to match the levels of apportionments annually approved by Congress, apportionment levels exceeding OA levels by about 10%. Our financial re-constraining uses some of this programming capacity as a substitute programming “margin” for the TCRP and STIP:

STIP	\$66 million
TCRP	\$23.5 million

The second source of substitute programming is local sales tax funding. Several counties in the Bay Area have reserves of sales tax that could be tapped into as substitute funding for STIP and TCRP projects. This would be in the form of advances or loans from the local authority:

STIP	\$233 million
TCRP	\$79 million

Note that in cases, STP/CMAQ and local sales tax, allocation actions by our Commission or the local measure authority would need to occur before any money could be expended.

A number of actions are currently underway that utilize local funds in lieu of state funds. Contra Costa and San Mateo are actively working with Caltrans through a cooperative agreement to take over the management of several large projects in their county, agreements that allow the use of local funds for earlier phases of projects, thereby allowing a delay in the use of state funds.

Recommendation

MTC staff recommends that the Committee approve the updated 2003 TIP financial constraint analysis, MTC Resolution No. 3500, Revised, and forward it to the Commission for approval.

Memorandum to PAC – MTC Resolution 3500, Revised
2003 TIP Financial Constraint Update
January 14, 2004
Page 4 of 3

Steve Heminger

Attachment: tmp-3500-attach.pdf